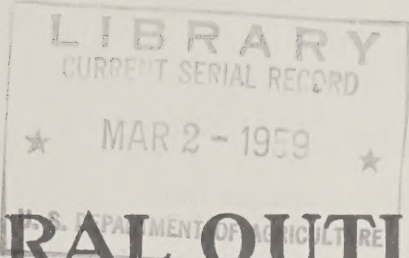


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The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



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The acreage farmers plant for harvest in 1958 is likely to dip a little below 1957 to the lowest in 40 years.

Farmers reported to AMS as of March 1 that they intended to plant about 271 million acres to 16 major crops. This is 5.6 million acres, 2 percent, less than in 1956. Little information is available this early in the season on probable yields. If the season is about average, crop production this year would drop a little below last year's record-equalling figure.

Intended feed grain acreage is down 4 percent from last year. A slight increase for corn more than offsets decreases for oats, barley and sorghum grains. Food grain acreage is likely to be up with increases for both wheat and rice. Soybean acreage continues the upward trend with intentions calling for a 10 percent increase over last year's record.

Consumer purchases of food continue high despite the general reduction in economic activity in recent months. February food sales in retail stores were 8% above a year earlier and near peak levels. Total retail sales, on the other hand, were off 1% from February 1957 with sales of durable goods showing the largest decline.

Most measures of economic activity slipped further the last 2 months. The industrial production index in February was 11% below a year earlier. Reflecting increased unemployment and a shorter factory work week, personal income in February was 1½% below the August, 1957 peak, but still 1% above February 1957.

Businessmen this year plan to spend 5 billion less than the 1957 record of \$37 billion for plant and equipment, according to a recent survey. Investment in manufacturing and transportation will show the largest declines.

LIVESTOCK AND MEAT. Cattle prices are likely to continue to average above last year ... but by less than in recent months. Slaughter so far this year has been considerably below the same period of 1957. Big feed supplies have boosted demand for feeding and breeding stock.

Sizeable market supply of fed cattle appears to be building up. Price decline this spring is likely to be considerable...but it will start from highest level in 5 years. Grass cattle prices will peak seasonally this spring, then decline, but continue above a year ago.

Hog slaughter will be close to year-earlier levels through summer. Prices will stay relatively high through spring...but larger decline than usual is likely this fall when increased spring pig crop is marketed.

DAIRY. Increasing productivity of U. S. milk cows is likely to continue to offset diminishing numbers. Size of milk herd has declined in 12 of last 13 years...but bigger production per cow has boosted milk output to new records. Similar pattern is likely this year... another drop in numbers, more milk per cow, a small increase in total milk production.

EGGS. Hatchings of chicks for laying flock replacement in January and February ran 11% above last year. In February, farmers reported plans for a 6% increase for the season. Its too early to know definitely whether intentions will be exceeded since about half of the total hatch usually comes after April 1.

Egg production probably will continue below last year through mid-1958. Prices are likely to remain higher.

FEED. Prices generally have advanced since January. Feed grains remain substantially below a year ago but high protein prices in early March were near last year's level.

WHEAT. Possibility of shortage of some classes of "free wheat" (supplies outside price support program) has boosted prices in recent weeks. Cash prices in mid-March were generally near the high for the season to date.

Increased redemptions of price support loans and sales of purchase agreement wheat will result from the price advance.

POTATOES. Prices have advanced sharply since early February and are likely to continue relatively high the next 2 months. Supplies are substantially below a year ago with March 1 storage stocks down 20% and the winter crop of 4.8 million cwt. off 30%. Spring production also is likely to be down from a year earlier.

Farmers' February intentions indicated a 2 percent larger acreage than in 1957 for early summer harvest. The March intentions report for late summer and fall acreage indicated a 1% increase.

COTTON. Consumption by U. S. mills through February this season totaled 4.8 million running bales, 500,000 below a year earlier. Exports through January amounted to 2.8 million bales, nearly a million less than a year earlier but above most other postwar year. Nearly 5.6 million bales have been sold from CCC stocks for export in 1957-58.

About 3.1 million acres of cotton land were put under the 1958 Acreage Reserve of the Soil Bank through February. An additional 2 million acres were offered by farmers for which funds are not now available.

WOOL. More shorn wool is likely to be clipped in 1958 than in 1957. Numbers of sheep rose 3 percent in 1957...are likely to rise further this year. World production in 1957-58, however, is down, mainly because of drought in Australia.

Use of apparel wool in the U. S. has been declining since summer of 1956. Drop amounted to 41% by end of last year. Factors in decline were sharp advances in wool prices in late 1956 and early 1957, high interest rates which encouraged drawing on inventories of worsted and woolens, and trend toward lighterweight fabrics. Use of man-made fiber in 1957 was up 15% from 1956, some of which probably was substituted for wool.